GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1210
ANSWERED ON:24.10.2008
OPENING OF BRANCHES OF NATIONALISED BANKS
Kharventhan Shri Salarapatty Kuppusamy

Will the Minister of FINANCE be pleased to state:

(a) whether there are long pending demands from various States including Tamil Nadu for opening of branches of the nationalized banks in the country;

(b) if so,the details thereof,State-wise during the last two years and the current year;and

(c) the time by which the new branches of the nationalized banks are likely to be opened location-wise and State-wise?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (c): The opening of new bank branches is governed by the provisions of the Banking Regulation Act 1949.The proposals for opening new branches at specific centers in States are submitted to the RBI by individual banks on an annual basis in a prescribed proforma for approval. Normally within four weeks from its submission the proposal is discussed with the bank and approvals are communicated thereafter.While considering applications for opening branches,the RBI gives weightage to the nature and scope of banking facilities provided by banks to common persons particularly in underbanked areas (districts),actual credit flow to the priority sector,overall efforts for financial inclusion,etc.At centers where a bank fails to open a branch within a valid period of authorization i.e. one year, it could include the same in the next annual plan.